



OFFICE OF ENVIRONMENTAL SERVICES

Statement of Basis

Proposed Minor Source Air General Permit Surface Coating and Fabrication

AGENCY INTEREST NO. 163497
ACTIVITY NO. PER20120001

PERMITTING AUTHORITY

Louisiana Department of Environmental Quality
Office of Environmental Services
P.O. Box 4313
Baton Rouge, Louisiana 70821-4313

CONTACT INFORMATION

Additional information about the master general permit may be obtained from:

Mr. Corey Gautreaux
P.O. Box 4313
Baton Rouge, Louisiana 70821-4313
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I. STATEMENT OF AUTHORITY – LAC 33:III.513.A

1. The permitting authority may issue a general permit intended to cover numerous similar sources or activities. General permits shall be issued in accordance with LAC 33:III.519 and, prior to issuance, shall undergo public notice. Each general permit shall incorporate terms and conditions applicable to sources that would qualify for the general permit. Any general permit shall identify criteria by which sources may qualify for the general permit, and may provide for applications which deviate from the requirements of LAC 33:III.517.
2. The owner or operator of any source that would qualify for the general permit may apply for authorization to operate under the general permit. The application must include all information necessary to determine qualification for and to assure compliance with the general permit.
3. The permitting authority may approve an owner or operator's application for authorization to operate under the general permit without repeating the public participation procedures. Such an approval shall not be a final permit action for purposes of judicial review regarding the terms and conditions of the general permit.
4. Any source which is issued the general permit shall, notwithstanding a permit shield, be subject to enforcement action for operation without a permit if the source is later determined not to qualify for the general permit.

II. ELIGIBILITY

The minor source air general permit authorizes construction, operation, and modification of surface coating and fabrication facilities that meet the eligibility requirements outlined herein.

Facilities eligible for coverage under the general permit include facilities primarily engaged in surface coating and fabrication operations. These facilities are typically classified under Standard Industrial Classification (SIC) Codes beginning with 34xx, 35xx, 36xx, or 37xx.

This general permit does not address operations which are subject to any 40 CFR 60 New Source Performance Standard or any 40 CFR 63 National Emission Standard for Hazardous Air Pollutants (NESHAP) not specified in this permit are not eligible for coverage. Facilities which strip paint using chloromethane (MeCl) are not eligible for coverage.

Facilities must maintain eligibility to operate under the permit. The permit does **not** authorize operations that are not compliant with the established eligibility conditions. Prior to initiating any modification to the facility that would prohibit it from being covered under the general permit, the permittee must request an "individual" site-specific air permit. If a modification rendering the facility ineligible for the general permit is effected without a site-specific permit in place, the modification will be deemed

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unauthorized from the date construction commenced and subject to enforcement action.

Facilities Excluded from Coverage

The general permit cannot be used to authorize construction and operation of:

1. "Part 70 Sources" as defined in LAC 33:III.502.
2. Except as described in LAC 33:III.501.B.3.a-b, facilities subject to regulatory requirements not addressed by the general permit, including those with equipment or processes not compliant with Section VI – Equipment-Specific Limitations and Required Controls.
3. Facilities subject to LAC 33:III.Chapter 59–Chemical Accident Prevention or 40 CFR Part 68–Chemical Accident Prevention Provisions.
4. Facilities that formerly operated as major sources if Best Available Control Technology (BACT) or Lowest Achievable Emission Rate (LAER) controls were installed and are being maintained on an existing emissions unit.
5. Facilities subject to LAC 33:III.919 – Emissions Inventory.

III. FACILITY-WIDE EMISSIONS LIMITATIONS

Baton Rouge Nonattainment Area

For facilities located in the parishes of Ascension, East Baton Rouge, Iberville, Livingston, and West Baton Rouge, potential emissions of criteria pollutants and toxic air pollutants (TAP) from the facility (or grouping of contiguous facilities) must be less than the following amounts, in tons per year:

<u>Pollutant</u>	<u>Emissions</u>
PM ₁₀	15
SO ₂	40
NO _x	20
CO	90
Total VOC	20
Total TAPs	20
Any Individual TAP*	Table 1

Other Parishes

Except for facilities located in the parishes of Ascension, East Baton Rouge, Iberville, Livingston, and West Baton Rouge, potential emissions of criteria pollutants and toxic air

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pollutants (TAP) from the facility (or grouping of contiguous facilities) must be less than the following amounts, in tons per year:

<u>Pollutant</u>	<u>Emissions</u>
PM ₁₀	15
SO ₂	40
NO _x	90
CO	90
Total VOC	90
Total TAPs	20
Any Individual TAP*	Table 1

The above limitations shall include emissions from *all* sources at the facility, including emissions from all insignificant activities set forth under LAC 33:III.501.B.5 and those from activities traditionally classified under General Condition XVII (e.g., sampling).

Re-designation of an Attainment Area to a Nonattainment Area

If, during the term of this permit, any parish outside of the Baton Rouge Nonattainment Area is designated as a "serious" or "severe" ozone nonattainment area, the owner or operator of a facility located in any such parish:

1. may retain this permit and comply with the limits applicable to facilities located in the Baton Rouge Nonattainment Area; or
2. if the facility cannot comply or the owner or operator chooses not to comply with limits applicable to facilities located in the Baton Rouge Nonattainment Area, the owner or operator shall apply for an "individual" site-specific air permit no later than 90 days after the effective date of the "serious" or "severe" nonattainment designation.

* Any individual Toxic Air Pollutant (TAP) emitted shall not exceed the listed lb/hr and tons/yr limits of Table 1. Facilities which emit a TAP not listed in Table 1 shall not exceed the minimum emission rate (MER) for that TAP listed in Table 51.1 and 51.2 of LAC 33:III.Chapter 51. No individual TAP shall exceed 8 tons per year.

Table 1

LAC 33:III.Chapter 51 Toxic Air Pollutant	Limit lb/hr (8-hour average)	Limit tpy
Acetaldehyde		6.48
Acrolein	0.006	0.013
Antimony (and compounds)	0.013	0.02
Arsenic (and compounds)		0.013
Barium (and compounds)	0.013	0.02
Benzene		1.71
Beryllium (and compounds)		0.013

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Biphenyl	0.02	0.05
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Table 1 (continued)

LAC 33:III.Chapter 51 Toxic Air Pollutant	Limit lb/hr (8-hour average)	Limit tpy
n-Butyl alcohol	4.04	5.50
Copper (and compounds)	0.026	0.013
Cresol	0.26	0.80
Cumene	6.55	8.00
Dibutyl phthalate	0.13	0.19
1,4-Dichlorobenzene	1.59	8.00
Ethyl benzene	11.51	8.00
Ethylene glycol	2.66	3.32
Formaldehyde		1.10
Glycol ethers	0.63	0.79
n-Hexane	4.68	7.50
Manganese (and compounds)		0.04
Methanol	6.97	8.00
Methyl ethyl ketone	15.65	8.00
Methyl isobutyl ketone	5.45	7.50
Naphthalene (and Methylnaphthalenes)	1.33	1.66
Nickel (and compounds)		0.04
Phenol	0.50	0.70
Polynuclear aromatic hydrocarbons		0.013
Selenium (and compounds)	0.005	0.013
Styrene	5.66	7.06
Toluene	9.95	8.00
Toluene-2,4-diisocyanate	0.0009	0.013
Toluene-2,6-diisocyanate	0.0009	0.013
Xylene (mixed isomers)	11.51	8.00
Zinc (and compounds)	0.13	0.16

IV. IMPACTS ON AMBIENT AIR

Emission limits established in Section III of the general permit were reviewed by the Air Quality Assessment Division to ensure compliance with the National Ambient Air Quality Standards (NAAQS) for criteria pollutants and the Louisiana Ambient Air Standards (AAS) for toxic air pollutants. Therefore, such facilities will not cause air quality impacts which could adversely affect human health or the environment.

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V. EQUIPMENT-SPECIFIC LIMITATIONS AND REQUIRED CONTROLS

A. Internal Combustion Engines (ICEs)

Definitions

Stationary internal combustion engine - any internal combustion engine (ICE), except combustion turbines, that converts heat energy into mechanical work and is not mobile. Stationary ICE differ from mobile ICE in that a stationary internal combustion engine is not a nonroad engine as defined at 40 CFR 1068.30 (excluding paragraph (2)(ii) of that definition), and is not used to propel a motor vehicle or a vehicle used solely for competition. Stationary ICE include reciprocating ICE, rotary ICE, and other ICE, except combustion turbines.

Limitations

ICEs must be fueled by diesel (or fuel oil no. 2). Stationary engines fueled by gasoline, natural gas, or liquefied petroleum gas (LPG) are not eligible for coverage under this permit.

Diesel-fired ICEs are exempt from the provisions of Chapter 22 per §2201.C.14.

Per 40 CFR 63.6590(b)(3), compression ignition (CI) stationary reciprocating ICEs (RICE) do not have to meet the requirements of Subpart ZZZZ and of 40 CFR 63 Subpart A. No initial notification is necessary.

B. Storage Vessels

Gasoline and storage vessels containing volatile organic compounds shall have a capacity less than 10,000 gallons. Storage vessels greater than 250 gallons storing any volatile organic compound having a maximum true vapor pressure of 1.5 psia or greater shall be equipped with a submerged fill pipe.

C. Surface Coating

Definitions

Metal Fabrication and Finishing HAP – means cadmium, chromium, lead, manganese, or nickel.

Limitations

Facilities located in the parishes of Ascension, Calcasieu, East Baton Rouge, Iberville, Livingston, Pointe Coupee, and West Baton Rouge which are engaged in the surface coating of Marine Vessels and Oilfield Tubulars and Ancillary Oilfield Equipment may

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not exceed 3.5 pounds VOC per gallon of coating as applied (minus water and exempt solvent) per LAC 33:III.2123.C.11.b.

VI. POTENTIALLY APPLICABLE REQUIREMENTS

Potentially applicable regulations, as well as any additional monitoring, recordkeeping, and reporting requirements necessary to demonstrate compliance with both the federal and state terms and conditions of the general permit, are provided in the "Specific Requirements" section. Associated with each Specific Requirement is a citation of the federal or state regulation upon which the authority to include that Specific Requirement is based.

40 CFR 60 – New Source Performance Standards (NSPS)

The following subparts are potentially applicable to an eligible facility: IIII.

40 CFR 61 – National Emission Standards for Hazardous Air Pollutants (NESHAP)

No 40 CFR 61 NESHAP provisions are potentially applicable to an eligible facility.

40 CFR 63 – National Emissions Standards for Hazardous Air Pollutants (NESHAP)

The following subparts contain area source provisions that are potentially applicable to an eligible facility: XXXXXX and HHHHHH.

Per 40 CFR 63.11169(d)(1)-(6), the following activities do not have to meet the requirements of Subpart HHHHHH and of 40 CFR 63 Subpart A. No initial notification is necessary.

- Surface coating performed onsite at installations owned by the Armed Forces, NASA, or the National Nuclear Security Administration;
- Surface coating of munitions for the Armed Forces or equipment directly and explicitly used for transporting munitions;
- Surface coating performed by individuals on their personal property either as a hobby or for maintenance;
- Research and laboratory activities;
- Quality controls activities as defined in 40 CFR 63.11180; and
- Surface coating activities covered under another NESHAP.

Per 40 CFR 63.11514, only those metal fabrication and finishing facilities which are an area source of metal fabrication and finishing HAP (MFHAP) listed in the following source categories have to meet the requirements of Subpart XXXXXX.

- Electrical and Electronic Equipment Finishing Operations;
- Fabricated Metal Products;
- Fabricated Boiler Work (Boiler Shops);
- Fabricated Structural Metal Manufacturing;

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- Heating Equipment, except Electric;
- Industrial Machinery and Equipment Finishing Operations;
- Iron and Steel Forging;
- Primary Metals Products Manufacturing; and
- Valves and Pipe Fittings

New Source Review (NSR)

Because potential facility-wide emissions must be less than the thresholds set forth in Section III of the permit, eligible facilities are not classified as major stationary sources under the Prevention of Significant Deterioration (PSD) or Nonattainment New Source Review (NNSR) programs.

State MACT (LAC 33:III.Chapter 51)

Eligible facilities must be minor sources of LAC 33:III.Chapter 51-regulated toxic air pollutants (TAP). Facilities which were a major source of TAP as of December 20, 1991, but which have subsequently achieved minor source status through reduction of emissions and potential to emit, are eligible for coverage under the general permit, but must comply with the provisions of LAC 33:III.5105.A.1, 3, and 4, and 5113 as outlined in the Specific Requirements. Pursuant to LAC 33:III.905, the owner or operator shall use and diligently maintain in proper working order the control equipment installed to reduce the facility's potential to emit below the major source threshold whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded.

VII. REQUESTING COVERAGE UNDER THE GENERAL PERMIT

In order to request coverage under the general permit, an applicant should submit a completed "Application for Approval of Emissions of Air Pollutants from Minor Sources" and the appropriate new permit application fee (found in LAC 33:III.223 Table 1) to the Air Permits Division. The application forms and instructions are available on LDEQ's website at <http://www.deq.louisiana.gov/portal/tabid/2758/Default.aspx>.

VIII. MODIFYING A FACILITY OPERATING UNDER THE GENERAL PERMIT

A. Modifications: Situations Where Pre-Construction Approval Is Required

Except as specified in VII.B, before effecting any modification to a facility authorized to operate under this general surface coating and fabrication permit (generally commencement of construction) the permittee shall submit a completed Application for Approval of Emissions of Air Pollutants from Minor Sources to the Air Permits Division. Upon submittal of the completed application, the permittee may proceed with the proposed modification. The application forms and instructions are available on the LDEQ's website at <http://www.deq.louisiana.gov/portal/tabid/2758/Default.aspx>.

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B. "In Kind" Replacement of Equipment

Notwithstanding Subsections VIII.A, replacement of an existing emissions unit with an "in-kind" unit shall not require submittal of a completed "Application for Approval of Emissions of Air Pollutants from Minor Sources" to LDEQ, provided:

1. does not result in an increase in hourly or annual potential emissions of a regulated pollutant;
2. is not subject to federal or state regulations not applicable to the replaced emissions unit;
3. is an identical or functionally equivalent unit. A "functionally equivalent unit" means a component that serves the same purpose as the replaced component;
4. the replaced emissions unit is permanently removed from the facility or otherwise permanently disabled;
5. such modifications are disclosed in the next "Application for Approval of Emissions of Air Pollutants from Minor Sources" submitted pursuant to Subsection VII.A or VII.B; and
6. records of such modifications are retained on site or at another approved location for a minimum of two (2) years and made available for inspection by the Office of Environmental Compliance, Surveillance Division.

IX. RENEWAL OF COVERAGE UNDER THE GENERAL PERMIT

A permit application to renew coverage under the permit shall be submitted thirty (30) days prior to, but no earlier than 12 months before, the expiration date of the general permit. The application procedures shall be the same as those outlined in Section VII, except that a fee shall not be required unless the renewal application is also associated with a modification. If the owner or operator fails to submit a timely and complete renewal application, the owner's or operator's right to operate the source will terminate upon the expiration date of the general permit.

X. REQUESTING TERMINATION OF COVERAGE UNDER THE PERMIT

The permittee shall notify the Air Permits Division using the "Application for Approval of Miscellaneous Permitting Actions" if operations at the facility permanently cease during the permit term. The application form and instructions are available on the LDEQ's website at <http://www.deq.louisiana.gov/portal/tabid/2758/Default.aspx>.

XI. NAME/OWNER/OPERATOR CHANGES

The permittee shall notify the Office of Environmental Services in accordance with LAC 33:I.Chapter 19 using the "Facility Name Change and Change of Ownership Form" (NOC-1). The form and instructions are available on the LDEQ's website at <http://www.deq.louisiana.gov/portal/tabid/65/Default.aspx>.

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XII. COASTAL USE PERMITS

Executive Order No. BJ 2008-7 directs all state agencies to administer their regulatory practices, programs, contracts, grants, and all other functions vested in them in a manner consistent with Louisiana's Comprehensive Master Plan for a Sustainable Coast and public interest to the maximum extent possible. If a proposed facility is located in the Coastal Zone, LDEQ requires the applicant to document whether or not a Coastal Use Permit is required, and if so, whether it has been obtained. Coastal Use Permits are issued by the Coastal Management Division of the Louisiana Department of Natural Resources (LDNR).

XIII. GENERAL COVERAGE

Continuation of an Expired General Permit

If the permit is not reissued or replaced prior to the expiration date, it will be administratively continued and remain in force and effect. Provided a timely renewal application has been submitted in accordance with Section IX of the general permit, any permittee who was granted permit coverage prior to the expiration date will automatically remain covered by the continued permit until the earlier of:

1. reissuance or replacement of the permit, at which time the permittee must comply with the conditions of the new permit to maintain authorization to operate; or
2. termination of the permit; or
3. issuance of a site-specific permit to the facility; or
4. a formal permit decision by LDEQ not to reissue the general permit, at which time the permittee must seek coverage under a site-specific permit.

Requirement for a Site-Specific Permit

Eligibility for the permit does not confer a vested right to coverage under the permit. LDEQ may require any person authorized by the permit to apply for and/or obtain a site-specific air permit. If LDEQ requires a permittee authorized to emit under the permit to apply for a site-specific air permit, LDEQ will notify the permittee in writing that a permit application is required. This notification will include a brief statement of the reasons for this decision, a statement setting a deadline for the permittee to file the application, and a statement that on the effective date of issuance or denial of the site-specific air permit, coverage under the permit will automatically terminate. LDEQ may grant additional time to submit the application upon request of the applicant. If a permittee fails to submit in a timely manner a site-specific air permit application as required by LDEQ, then the applicability of the permit to the individual permittee will be automatically terminated at the end of the day specified by LDEQ for application

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submittal.

LDEQ's notification that coverage under a site-specific permit is required does not imply that the facility does not meet the eligibility requirements of the permit.

Severability

The provisions of the permit are severable and if any provision of the permit, or the application of any provision of the permit to any circumstance, is held invalid, the application of such provision to other circumstances and the remainder of the permit shall not be affected thereby.

XIV. REOPENER CLAUSE

The permit may be modified, revoked and reissued, or terminated for cause. Upon modification or reissuance of the permit, the permittee shall comply with any new or modified requirements by any compliance dates established in the modified or reissued permit.

Please be advised that pursuant to provisions of the Environmental Quality Act and the Administrative Procedure Act, the Department may initiate review of a permit during its term. However, before it takes any action to modify, suspend or revoke a permit, the Department shall, in accordance with applicable statutes and regulations, notify the permittee by mail of the facts or operational conduct that warrant the intended action and provide the permittee with the opportunity to demonstrate compliance with all lawful requirements for the retention of the effective permit.

If there is evidence indicating that the air emissions authorized by the permit cause or have the reasonable potential to cause or contribute to a violation of a NAAQS, the facility may be required to obtain a site-specific permit or the permit may be modified to include different limitations and/or requirements.

XV. PUBLIC NOTICE

Comments and requests for a public hearing or notification of the final decision can be submitted via personal delivery, U.S. mail, email, or fax. **Comments and requests for public hearings must be received by 4:30 pm CST, Wednesday, August 22, 2012.** Delivery may be made to the drop-box at 602 N. 5th St., Baton Rouge, LA 70802. U.S. Mail may be sent to LDEQ, Public Participation Group, P.O. Box 4313, Baton Rouge, LA 70821-4313. Emails may be submitted to DEQ.PUBLICNOTICES@LA.GOV and faxes sent to (225) 219-3309.

Please see additional instructions for comment submission, hand delivery and

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information regarding electronic submission at <http://www.deq.louisiana.gov/portal/Default.aspx?tabid=2256> or call (225) 219-3276. Emails should follow the statewide email policies. For more information regarding statewide email policies, go to <http://doa.louisiana.gov/ocs/email/policies.htm> .

If LDEQ finds a significant degree of public interest, a public hearing will be held. LDEQ will send notification of the final permit decision to the applicant and to each person who has submitted written comments or a written request for notification of the final decision.

The Proposed Minor Source Air General Permit for Surface Coating and Fabrication, General Information Report, Inventories Report, Facility Specific Requirements, and Statement of Basis are available for review at the LDEQ, Public Records Center, Room 127, 602 North 5th Street, Baton Rouge, LA. Viewing hours are from 8:00 a.m. to 4:30 p.m., Monday through Friday (except holidays). **The available information can also be accessed electronically on the Electronic Document Management System (EDMS) on the DEQ public website at www.deq.louisiana.gov .**

Additional copies may be reviewed at the Headquarters, or Main, Parish Library in each parish of the State, and also at the Morgan City Public Library, Morgan City, and at the Calcasieu Parish Library, Sulphur Regional Branch, Sulphur, LA.

Inquiries or requests for additional information regarding this permit action should be directed to Darlene Doshier-Collard, LDEQ, Air Permits Division, P.O. Box 4313, Baton Rouge, LA 70821-4313, phone (225) 219-3399.

Persons wishing to be included on the LDEQ permit public notice mailing list or for other public participation related questions should contact the Public Participation Group in writing at LDEQ, P.O. Box 4313, Baton Rouge, LA 70821-4313, by email at DEQ.PUBLICNOTICES@LA.GOV or contact the LDEQ Customer Service Center at (225) 219-LDEQ (219-5337).

Permit public notices including electronic access to the proposed permit can be viewed at the LDEQ permits public notice webpage at www.deq.louisiana.gov/apps/pubNotice/default.asp and general information related to the public participation in permitting activities can be viewed at www.deq.louisiana.gov/portal/tabid/2198/Default.aspx .

Alternatively, individuals may elect to receive the permit public notices via email by subscribing to the LDEQ permits public notice List Server at http://louisiana.gov/Services/Email_Notifications_DEQ_PN/ .

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All correspondence should specify AI Number 163497, Permit Number - Minor Source Air General Permit Surface Coating and Fabrication, and Activity Number PER20120001.

Scheduled Publication Date: Wednesday, July 18, 2012